

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In Re:)	Chapter 11
)	
Pillowtex Corporation, <u>et al.</u> ,)	Case No. 03-12339 (PJW)
)	
Debtors.)	Jointly Administered
)	
)	RE: Docket No. 2908 and 2925

**STATEMENT OF THE ISSUES ON APPEAL AND DESIGNATION OF ITEMS
TO BE INCLUDED IN THE RECORD ON APPEAL**

Pursuant to Federal Rule of Bankruptcy Procedure 8006, Wellman, Inc., and American & Efird, Inc., creditors of the estates in this case, with regard to the notice of appeal filed on May 29, 2007, of the Bankruptcy Court's Order Approving Settlement Agreement and Release of Claims with Stein Fibers Ltd. entered on May 16, 2007, hereby state the issues to be decided on appeal and designate the items to be included in the record on appeal.

STATEMENT OF THE ISSUES TO BE DECIDED ON APPEAL

1. Whether the Debtors had established a sufficient evidentiary foundation for the Bankruptcy Court to determine the Debtors' proposed settlement of the claims against Stein Fibers Ltd.

2. Whether the Bankruptcy Court erred in approving the Debtors' proposed settlement of the claims against Stein Fibers Ltd. on the record that was before the Bankruptcy Court.

DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD

1. Debtors' Motion Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure to Approve Settlement Agreement and Release of Claims With Stein Fibers Ltd. filed and entered on April 26, 2007 [Docket No. 2879].

2. Objection of Wellman, Inc., and American & Efird, Inc., to Debtors' Motion for Approval of Proposed Settlement of Preference Claim Against Stein Fibers, Ltd. filed and entered on May 10, 2007 [Docket No. 2891].

3. Debtors' Reply to Objection of Wellman, Inc., and American & Efird, Inc., to Debtors' Motion for Approval of Proposed Settlement of Preference Claim Against Stein Fibers Ltd. filed and entered on May 14, 2007 [Docket No. 2897].

4. Transcript of proceedings before the Honorable Peter J. Walsh on May 16, 2007.

5. Order Approving Settlement Agreement and Release of Claims With Stein Fibers Ltd. entered on May 16, 2007 [Docket No. 2908].

6. Notice of appeal by Wellman, Inc., and American & Efird, Inc. filed and entered on May 29, 2007 [Docket No. 2925].

Dated this 8th day of June, 2007.

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